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**NINETY-FIVE DAYS LATER**  
**TWO-PART SUPPLEMENTAL DO-OVER STILL HEAVY**  
**WITH UNNEEDED CONGRESSIONAL ADD-ONS**

10 May 2007

**SUMMARY**

Having failed to override the President's veto, House Democrats have split the 2007 emergency supplemental spending bill into two parts, scheduled for separate votes today. The two measures combined are essentially the same as the vetoed bill, and carry the same budgetary baggage as their predecessor: together, they add more than \$20 billion in spending not directly related to ongoing operations in Iraq and Afghanistan or the Global War on Terrorism; and they deliberately violate a range of budget rules.

The new spending has been designated as an "emergency" to exempt it from spending limits set by the current budget resolution (H. Con. Res. 376). Consequently, the two measures – H.R. 2206 (to be considered first) and H.R. 2207 (scheduled second) – will violate House budget rules governing emergency spending; will breach the limit on overall appropriations for the current year; and will disregard the Democrats' own House pay-as-you-go [PAYGO] rule by adding more than \$6 billion in new direct spending without paying for it.

**Examples of Congressional Add-Ons in HR 2206 and HR 2207**  
(budget authority, in millions of dollars)

<b>H.R. 2206</b>	<b>Request</b>	<b>H.R. 2206</b>	<b>Difference</b>
Global War on Terrorism	99,600	51,041	-48,559
Katrina	3,400	6,785	3,385
Base Realignment and Closure <sup>a</sup>	000	3,137	3,137
Commercial Fisheries	000	110	110
LIHEAP	000	400	400
Pandemic Flu	000	25	25
Architect of the Capitol Tunnel Maint.	000	50	50
"Water Related Resources"	000	18	18
Minor VA Construction	000	326	326
SCHIP (net)	000	393	393
Other	000	4,662	4,662
<b>H.R. 2207</b>	<b>Request</b>	<b>H.R. 2207</b>	<b>Difference</b>
Agriculture Disaster Package (including crop disaster insurance, MILC, dairy assistance, and CSP)	000	3,500	3,500
Secure Rural Schools and Other Domestic	000	985	985

<sup>a</sup> President's request was offset.

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H.R. 2206 also shortchanges funding for U.S. troops in Iraq and Afghanistan – the principal goal of the President’s funding request, submitted 95 days ago – by immediately committing only \$43 billion of the amount requested by the President. The remaining \$53 billion would be released only after a subsequent congressional approval of a joint resolution. Largely due to this division, the first bill has no chance of being enacted: the Senate already has expressed skepticism about the two-step tactic, and the President has pledged to veto such an approach.

In contrast to the delay in troop funding, the measure promptly funds various domestic activities, and circumvents budget rules in the process. Most of the more than \$20 billion in non-war, non-emergency spending added by the two bills should have been funded in the recently enacted fiscal year 2007 omnibus appropriations bill, or in the regular 2008 appropriations process.

### **BUDGET VIOLATIONS**

The journey to this point began in February, when the President requested a “clean,” \$103-billion supplemental for supporting U.S. troops in Iraq and Afghanistan; fighting the Global War on Terrorism; funding international affairs activities; and continuing Hurricane Katrina reconstruction efforts. The spending bill Democrats completed last week – H.R. 1591 – increased the funding amount by about 25 percent, and added time lines associated with the troop support. The President vetoed the measure, and his veto was sustained in the House.

The two measures, when taken together, are essentially the same as H.R. 1591, inasmuch as they contain the same domestic congressional add-ons that the President vetoed, and again designates them as “emergencies.” In addition, the first bill divides the troop funding as described above.

The budget resolution currently in force (H.Con.Res. 376) defines an “emergency” as an “unanticipated” situation requiring new budget authority and outlays to prevent threats to life or property. The resolution further provides a definition of “unanticipated” as sudden, urgent, unforeseen, and temporary. The definition is consistent with longstanding criteria employed by the Congress and the administration’s Office of Management and Budget. Most of the spending added to these bills is not directly related to the war and fails to meet this criteria.

The two supplemental measures break budget discipline in two important ways:

- First, they ignore the rules governing emergencies – apart from the provisions illegitimately designated as “emergencies” – because the Budget Committee failed to raise the appropriations limit to accommodate the excess “emergency” spending.
- Second – and as a consequence of the first violation – the bills breach the *overall* limit on total appropriations. Because of the latter, the measures are subject to a point of order – which, however, have been waived by the rule.

In addition, as noted above, the two measures add more than \$6 billion in new mandatory spending over 2007-17 without offsetting it. This violates the PAYGO rule Democrats adopted in the House rules for the 110<sup>th</sup> Congress. Their PAYGO rule requires that increases in direct spending be offset.

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The rule governing debate on the two measures waives any Budget Act violations for increased spending outside the current budget resolution limits.

### **H.R. 2206: BILLIONS IN UNRELATED SPENDING**

Among the spending increases, gimmicks, and other add-ons in the first bill are the following:

- **Paying for the Democrat Raid on Defense Funds.** The Democrats have added \$3.1 billion for Base Realignment and Closure [BRAC]. This comes after Democrats deliberately underfunded BRAC in the recent fiscal year 2007 omnibus, despite a request of \$5.6 billion in the President's 2007 budget. The omnibus diverted the President's requested BRAC funding to other favored programs. Moreover Democrats rejected the administration's proposed offsets to fully pay for these overdue BRAC resources. These BRAC funding maneuvers will disrupt the ability of the Department of Defense to provide for the families of U.S. troops.
- **Phony Domestic Emergencies.** The bills adds billions in spending Democrats were unwilling to pay for in the regular appropriations process to remain within the \$873-billion spending level they ratified for fiscal year 2007, or that they do not want to fund through the regular fiscal year 2008 appropriations process.

Among the illegitimate "emergencies" the Democrats have added are the following:

- *\$400 million for the Low Income Home Energy Assistance Program [LIHEAP].* Considering that winter is all but over, this funding cannot be considered "urgent." About 50 percent of it would be directed to energy cooling costs.
- *\$35 million for NASA for hurricane reconstruction costs.* The National Aeronautics and Space Administration [NASA] has already received funding for these costs in previous supplementals. Moreover, section 2201 of the bill grants NASA authority to use \$48 million in previously appropriated supplemental funds to replenish regular accounts tapped for Katrina costs. This is not a sudden or unforeseen emergency.
- *\$50 million to create a new Federal compensation fund.* This spending creates the Covered Countermeasure Process Fund to compensate individuals injured by H5N1 vaccine under a Public Readiness and Emergency Preparedness Act (PREP Act) issued in January 2007. This compensation is not sudden and not truly urgent – and it should have been funded in the omnibus appropriations bill.
- **Highway Rescission Budget Gimmick.** H.R. 2206 rescinds about \$683 million in highway contract authority from the core SAFETEA-LU formula programs. But because obligation limitations that control this type of spending are not reduced as well, there are no real savings.
- **Unrelated Authorization Language.** The legislation also includes a range of authorization provisions patently unrelated to troop support or hurricane recovery. These include language that waives the current prohibition on forgiving certain Community

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Disaster Loans at a cost of \$320 million. Also included is an increase in the minimum wage, tax breaks for small businesses, and changes in Federal standards for securing chemical facilities.

### **H.R. 2207: MORE NON-EMERGENCY ‘EMERGENCIES’**

H.R. 2207, the second bill, adds roughly \$4.5 billion for agricultural aid, wildfire suppression, extending Secure Rural School payments, and assistance for salmon fisheries.

- **Unneeded Agricultural Assistance.** H.R. 2207 provides an estimated \$3.5 billion for a broad range of agriculture assistance – much of for mandatory 2002 farm bill programs – and is not offset by reductions in other lower priority agriculture spending. This bill provides funding for crop disaster insurance, the Milk Income Loss Contract program (which has a cost of more than \$2 billion over 2007-17), dairy assistance, and the Conservation Security Program, among others. In particular H.R. 2207 would fund \$3.3 billion in agriculture disaster assistance for crop years 2005, 2006, and part of 2007. Most of these crops already receive Federal production subsidies through the 2002 farm bill. In addition, ad hoc disaster assistance for these losses is already subsidized through Federal crop insurance and related programs. Because this spending is mandatory, eligible producers have already received disaster assistance for these losses. This funding requirement is neither sudden nor unforeseen.
- **Other Additions.** H.R. 2207 also adds approximately \$985 million divided among the following: assistance to salmon fisheries in parts of California and Oregon (\$60 million); wildfire suppression (\$500 million); and a one-year extension for county payments under the Secure Rural Schools program (\$425 million). These expenditures do not meet any reasonable definition of emergency and should be funded as part of the regular 2008 appropriations process.